

REMARKS

The application has been amended and is believed to be in condition for allowance.

The previous claims have been replaced with new claims drafted to be proper as to form, taking into account the formal criticisms raised by the Official Action.

The previously pending claims were rejected as anticipated by or render obvious by KWAN 2003/0200179, alone or in combination with RUBIN et al. 6,701,522.

Neither reference teaches the present invention's concept of settling a data sale using a prepaid card having a user-supplied password set after every transaction. This approach provides both a convenient and elegant solution not taught or suggested by the applied art. Additionally, since only a dial-up access number to the web, a password number for the first-time use, and a serial number are indicated on the prepaid card of a real card, the card can be produced safely at a reasonable price with the user setting all subsequent password numbers.

As pointed out by the Official Action, KWAN takes an opposite approach to that of the invention. That is, KWAN uses the system to set each next password number, e.g., codes are set by the merchant and the customer must accept the merchant-set code and later re-input the merchant-set code in order to validate the prepaid card.

See the KWAN Abstract: "This is a pre-paid card system used to store monetary value and subsequently for making payment to merchants Unlike static credit card numbers, this invention employs the generation of encrypted dynamic codes for each transaction, which must be verified within a specific time, for payment initiation. Codes are send by merchant when a purchase is agreed upon and each codes have a time limit to be used.

Customers need to accept [these] codes and present them to the host computer to complete the payment process. Codes from both merchant and customer are decrypted at the host computer to produce the authenticated instructions for the payment."

In view of the above differences, reconsideration and allowance of all the claims are respectfully requested.

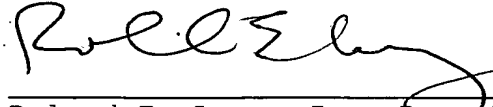
Applicant believes that the present application is in condition for allowance and an early indication of the same is respectfully requested.

The Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any

overpayment to Deposit Account No. 25-0120 for any additional
fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17.

Respectfully submitted,

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